

MILK PRODUCTION CASH COST AND RETURNS: Northern Crescent and United States, 2002-2003

Item	Northern Crescent 1/		United States	
	2002	2003	2002	2003
	Dollars per cwt.			
Gross value of production:				
Milk	12.91	13.41	12.47	12.86
Cattle	1.14	1.28	1.03	1.17
Other income 2/	0.66	0.75	0.60	0.69
Total, gross value of production	14.71	15.44	14.10	14.72
Operating costs:				
Feed--				
Feed grains	1.45	1.49	1.47	1.51
Hay and straw	1.31	1.35	1.69	1.67
Complete feed mixes	1.16	1.25	1.53	1.62
Liquid whey and milk replacer	0.09	0.10	0.07	0.09
Silage	0.95	0.91	0.95	0.94
Grazed pasture and cropland	0.07	0.07	0.08	0.08
Other feed items 3/	1.23	1.29	1.22	1.27
Total, feed costs	6.26	6.46	7.01	7.18
Veterinary and medicine	0.78	0.81	0.66	0.68
Bedding and litter	0.23	0.24	0.16	0.16
Marketing	0.31	0.32	0.27	0.28
Custom services	0.48	0.49	0.53	0.55
Fuel, lube, and electricity	0.51	0.58	0.46	0.51
Repairs	0.62	0.64	0.56	0.57
Other operating costs 4/	0.00	0.00	0.01	0.01
Interest on operating capital	0.08	0.05	0.08	0.05
Total, operating cost	9.27	9.59	9.74	9.99
Allocated overhead:				
Hired labor	1.28	1.38	1.25	1.30
Opportunity cost of unpaid labor	5.27	5.29	3.71	3.75
Capital recovery of machinery and equipment 5/	4.25	4.29	3.42	3.42
Opportunity cost of land (rental rate)	0.08	0.08	0.06	0.06
Taxes and insurance	0.22	0.23	0.18	0.18
General farm overhead	0.64	0.66	0.51	0.52
Total, allocated overhead	11.74	11.93	9.13	9.23
Total costs listed	21.01	21.52	18.87	19.22
Value of production less total costs listed	-6.30	-6.08	-4.77	-4.50
Value of production less operating costs	5.44	5.85	4.36	4.73
Supporting information:				
Milk cows (head per farm)	69	70	95	96
Output per cow (pounds)	19,829	19,852	19,992	20,032
Milking frequency more than twice per day (percent of farms)	3.09	3.13	3.50	3.56
Homegrown feed cost (percent of total feed cost)	49	49	34	34
Milk cows injected with bST (head per farm)	14	14	17	17

1/Includes Wisconsin, Michigan, New York, the New England States, and parts of Minnesota, Ohio, and Pennsylvania. 2/Income from renting or leasing dairy stock to other operations; renting space to other dairy operations; co-op patronage dividends associated with the dairy; assessment rebates, refunds, and other dairy-related resources; and the fertilizer value of manure production. 3/Cotton seed meal, protein supplements, protein by-products, vitamin or mineral supplements, nonprotein by-products, alfalfa cubes or pellets, green chop, corn stalks, and antibiotics and other medicated additives. 4/Manure disposal fees, permits, and licenses, and odor control costs handling. 5/Machinery and equipment, housing, manure handling structures, feed storage structures, and dairy breeding herd. Source: Agricultural Resource Management Survey, USDA.